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FISCAL IMPACT STATEMENT

LS 7121

BILL NUMBER: HB 1154

NOTE PREPARED: Jan 5, 2009

BILL AMENDED:

SUBJECT: Returning Soldiers' Counseling Benefit.

FIRST AUTHOR: Rep. Reske

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that certain members of the armed forces or the National Guard are entitled to receive up to \$500 for the following types of counseling: (1) mental health, (2) marriage or family, (3) financial, and (4) vocational. The bill establishes the Returning Soldiers' Counseling Fund. The bill also makes an appropriation.

Effective Date: July 1, 2009.

Explanation of State Expenditures: *Summary:* If all qualified servicemen and women were to apply for and receive the full benefit amount provided under the bill, the maximum estimated cost for the biennium would be approximately \$4.3 M. The benefits provided by the bill can be utilized for mental health, marriage or family, financial, or vocational counseling. The number of qualifying servicemen and women that would utilize each type of counseling service is indeterminable.

This bill provides that qualifying members of the armed forces and the National Guard are entitled to receive up to \$500 per approved applicant for counseling. The bill specifies that members of the armed services qualify for benefits for the 12-month period after either (1) they return home from a conflict abroad or (2) the conflict ends. Applicants are also required to be a resident of Indiana and serving active duty after September 11, 2001, during a time of national war or conflict. The bill appropriates all money necessary to carry out the purposes of the Returning Soldiers' Counseling Fund.

Details: The Indiana Department of Veterans' Affairs (DVA) reports that, currently, 3,400 National Guardsmen returned home in November and December of 2008. According to this legislation, these 3,400

individuals will have either five or six months of eligibility to participate in the counseling benefit program. Individuals that return from a conflict abroad before the legislation's effective date will have less than 12 months of eligibility to apply for and utilize program benefits. An individual's eligibility period will depend on the date of their return to the state in relation to the effective date of the legislation.

Additionally, DVA reports that there are 5,270 members of the National Guard and Reserve component deployed who have yet to return home that would be eligible to receive benefits under this program. If (1) all 5,270 currently deployed members of the National Guard and Reserve were to return home before the end of SFY 2011, (2) all 5,270 applied for and were awarded program benefits by the end of FY 2011, (3) all 3,400 National Guardsmen applied for and were awarded benefits, and (4) all 8,670 were awarded the full amount, total estimated expenditures for this program for the biennium would be approximately \$4.3 M. [It should be noted that it is unknown if the additional 5,270 servicemen and women will be returning to Indiana during FY 2010 or if the conflict will end during this time.] Additionally, the U.S. Department of Defense reports that there are six members of the U.S. Army, Air Force, Navy, Marines, and Coast Guard who claim Indiana as their state of residence and have returned between July of 2008 and October of 2008 and who would be eligible for program benefits.

Expenditures during the biennium will depend on (1) the number of qualifying servicemen and women that apply for benefits during their period of eligibility, (2) approval decisions made by the Military and Veterans' Benefits Board, and (3) actual awards made to approved individuals.

The National Center for Post Traumatic Stress Disorder reports that post traumatic stress disorder (PTSD) occurs in about 12% to 20% of veterans of the Iraq war (Iraqi Freedom). Using this information, it can be assumed that approximately 1,041 to 1,734 servicemen and women could suffer from PTSD after returning to Indiana from conflict abroad. If all these individuals apply for and are awarded the full \$500 in program benefits, this would represent a maximum estimated cost of \$521,000 to \$867,000 during the biennium to provide counseling to victims of PTSD.

Returning Soldiers' Counseling Fund: The legislation also creates the Returning Soldiers' Counseling Fund that is managed by the Veterans' Affairs Commission. The bill appropriates to the fund all money necessary to carry out the purpose of Returning Veterans Counseling Assistance. Unused money in the fund does not revert to the General Fund at the end of each fiscal year. This bill will also increase the workload of the Commission in order to administer the money in the fund and receive and review applications for benefits.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Military and Veteran's Benefits Board, IDVA.

Local Agencies Affected:

Information Sources: Tom Applegate, IDVA.

Fiscal Analyst: Bill Brumbach, 232-9559.